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THOMAS F. MCFARLAND

September 21, 2006

By e-filing

Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 713
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Finance Docket No. 34890, *PYCO Industries, Inc. -- Feeder Line Application -- South Plains Switching, Ltd. Co.*

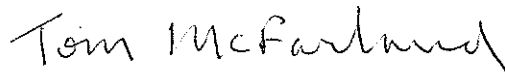
Dear Mr. Williams:

Please refer to the Verified Statement of Delilah Wisener, at Tab 3 of the Statement in Response to PYCO's Feeder Line Application to Acquire "All-SAW", filed in behalf of South Plains Switching, Ltd. Co. (SAW) on September 18, 2006. At page 3 of that Statement, Mrs. Wisener described an agreement whereby BNSF Railway Company (BNSF) will pay SAW \$75 for each car transported by BNSF for Jarvis Metals Company (Jarvis) at Burris, TX.

That agreement has been reduced to writing as of September 13, 2006. The written agreement was not available when SAW's Statement was filed. The written agreement is hereby transmitted as Appendix DW-7. Also transmitted as Appendix DW-8 is a copy of an e-mail message dated September 20, 2006 from Mr. Guillermo T. Alvarado of BNSF to Mrs. Shalia D. Wisener-DeClerk of SAW referring to payment of \$900 by BNSF to SAW pursuant to that agreement.

The Board is respectfully requested to include these appendices in the record.

Respectfully submitted,



Thomas F. McFarland
*Attorney for South Plains
Switching, Ltd. Co.*

THOMAS F. MCFARLAND

Vernon A. Williams
September 21, 2006
Page 2

cc: *(by e-mail)*
All Parties of Record
Mrs. Delilah Wisener
Mr. Dennis Olmstead
Mr. Joseph Plaistow



KELLY HART & HALLMAN LLP
ATTORNEYS AT LAW

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September 12, 2006

VIA FAX NO. (806) 771-6476

Mr. James L. Gorsuch
4412 74th Street, Suite A-100
Lubbock, Texas 79424

Re: Cause No. 2004-526,559-A
*BNSF Railway Company f/k/a Burlington Northern and Santa Fe Railway
Company v. South Plains Switching, Ltd. Co.*

Dear Jim:

I am writing to propose BNSF's offer of settlement concerning claims that might arise in the future in favor of South Plains Switching, Ltd. Co. ("SAW") by reason of BNSF's continued service to the Jarvis Metals facility in Burris.

As things currently stand, SAW considers BNSF to be committing a breach of the 1999 Asset Sale Agreement each time service is provided to the Jarvis Metals facility. BNSF disagrees, but recognizes that the issue may not be finally decided in the courts for some time. In an effort to allow continuing service to Jarvis Metals without further uncertainty about the financial risk associated with potential claims, BNSF proposes the following:

a. Effective September 18, 2006, BNSF will pay to South Plains Switching \$75/car for each car handled on behalf of Jarvis Metals. On Monday of each week, BNSF will collect movement and waybill data for cars handled for Jarvis Metals the previous week. An Automated Clearing House ("ACH") transfer will be scheduled for the following Wednesday, and funds should arrive in SAW's account on the following Friday. Each week BNSF will also supply South Plains Switching with copies of the pertinent waybills.

b. So long as the foregoing process remains in effect, SAW releases and forever discharges BNSF from any breach of contract claim, trespass claim or other claim it may have by reason of BNSF's continued service to Jarvis Metals.

201 MAIN STREET, SUITE 2500
FORT WORTH, TEXAS 76102

website: www.khh.com
Offices in Fort Worth and Austin

c. This agreement may be terminated by either party upon giving 30 days advance notice. If the agreement is terminated by either party, then each party reserves any claims that may thereafter accrue by reason of the provision of services to customers at Burris.

It is intended that this settlement offer will operate on a "going forward" basis only. In other words, both parties reserve all rights and claims that exist, or may arise, prior to the effective date stated in paragraph "a" above.

If your client is in agreement with this proposal, please indicate by signing below. I have the authority to execute this agreement on behalf of BNSF, and your signature will be a representation that you have similar authority to bind the SAW.


Very truly yours,



Donald E. Herrmann

DEH/dh
03051.0193

AGREED on this 13th day of September, 2006.


James L. Gorsuch

From: Alvarado, Guillermo T [mailto:Guillermo.Alvarado@BNSF.com]
Sent: Wednesday, September 20, 2006 1:42 PM
To: Shalia; Alvarado, Guillermo T; Hale, Weldon E; Liability Rating
Subject: Jarvis Metals Invoice 091806
Importance: High

Shalia;

As per the settlement letter of 9/12/06, BNSF has scheduled a payment for Jarvis Metals loads on 9/20/06 in the amount of \$900. This payment covers the traffic from the proceeding week according to the terms of the settlement. I am attaching a schedule and the EDI waybill detail of the cars paid.

Please contact me if you have any questions.

Thanks;

Guillermo T. Alvarado

Senior Analyst - BNSF

Contract Administration, Rating, and Disbursements

guillermo.alvarado@bnsf.com

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<<Jarvis-091806.xls>>

<http://d01.webmail.aol.com/19939/aol/en-us/mail/display-message.aspx>

9/21/2006